

EVALUATION OF CONTRACT CENTER ACADEMY FOR PT INFOMEDIA NUSANTARA AS A NEW BUSINESS IDEA

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Abstract— Contact center is a very important service for companies to response and answers customer problem and questions, the example of contact center channel such as, telephone, short text messaging, website, chat, walk-in center, and other media which related to customers. Contact center is vital for companies, the problem occurs is the level of turnover in contact center industry is quite high, and the fulfillment of labor is very slow and difficult, as well as the communication skills of contact center workforce is not meet the standard, then led many companies derive bad image from the customers. To fulfilling contact center workforce that has a good ability to serve its customers as well as well trained on the ins and outs of contact center technology, contact center academy as institution is needed to enhance their knowledge and also the ability for workers in contact center. In this final project, the data collection method is done by distributing the questionnaires to labor in contact center industry and company that has a contact center, and based on the analysis of the issues raised in PT Infomedia Nusantara. From all the data that has been collected by the author, as well as actual problems occur, the solution given by the author is contact center academy as an institution to enhance the capabilities of the contact center workers as well as not only the to improve the services, but as a new business opportunity for PT Infomedia Nusantara, which currently has more than 12,000 agents and also a lot of companies who manage their own contact center..

Keywords: academy, contact center

I. INTRODUCTION

Year 1975 was the beginning of business of PT Infomedia Nusantara as the first company providing telephone information service in Indonesia. Under sub-division of Elnusa GTDI from Pertamina subsidiary, Infomedia has published Telkom Telephone Directory Yellow Pages.

On June 30, 2009, PT Telekomunikasi Indonesia, Tbk. (TELKOM) through PT Multimedia Nusantara (Metra), the subsidiary with 99.99% share owned by TELKOM (here in after referred to as TELKOM Group) has signed Shares Sales & Purchase Agreement (SPA) to buy 49% share of PT Infomedia Nusantara (Infomedia) owned by PT Elnusa Tbk. (Elnusa), so that 100% share of PT Infomedia Nusantara has been owned by TELKOM Group.

Infomedia Contact Center & Outsourcing Services is defined as outsourcing provision business done by the third party for the company to one or several business functions in multi-year contract. Contact Center & Outsourcing Services run by Infomedia is at present has voice based services such as Contact Center both for inbound and outbound and non-voice such as direct mail and web development. However, Infomedia has now divided Contact Center & Outsourcing Services into four groups based on services provision such as Contact Center Services, HR Services, IT Services and Direct Mail.

The competition in Contact Center Businesses is getting tougher. As a result, all Contact Center Industry persistently make breakthrough to increase their competitive value and attract more customers. This is what PT Infomedia Nusantara exactly does as the biggest Contact Center Services in Indonesia. Some of business achievement of PT Infomedia Nusantara can be seen from its financial performance and market share as follows:

From the financial performance, PT Infomedia Nusantara has experienced a quite significant increase which is visible in its net profits, or even the rising number of customers. To make it clear, the revenue in 2010, PT Infomedia Nusantara

successfully earned revenue 764 billion rupiahs, experienced an increase to 1.1 trillion rupiahs in 2011. Based on the data of revenue progress, it can be concluded that in those 2 years after Infomedia owned by Telkom Indonesia, the average growth of revenue was increased dramatically around 69%

The success of PT Infomedia Nusantara lay not only on its financial performance, but the company was also successful in dominating the market share of Contact Center Service industry in Indonesia, which is apparent in the consistent increase of the number of PT Infomedia Nusantara customers, from 2009 to 2011. The total number of customers in 2009 was 30 customers and in 2011 significantly increased by 60+ customers.

II. BUSINESS ISSUE EXPLORATION

A. Problem Background

Recently, Contact Center Industry has grown into a huge, dynamic and prolific industry, both in Indonesia and overseas. The need for skillful, qualified with good attitude of agent has become a basic and urgent need. PT Infomedia Nusantara, as one of the market leader in Indonesia Contact Center Industry is attempting to answer for the needs of Labor problem in Contact Center. Until now, there is no specific school or academy to facilitate the contact center employee to developing their skill and career. Even the unemployment rates are high, companies are often unable to find and keep qualified workers.

Until now many people in Indonesia have bad image about outsourcing, because they want steady career and financial stability, this is happen because many people in Indonesia lack of skill that needed by the company.

The primary keys to performance in a call center are training and motivation. Based on *Training for Organization* books, it's said that companies, therefore, are working harder to hold on to their existing workforce and to increase their productivity. Recruitment and retention strategies based on the availability of training programs that provide mutual satisfaction for the organization and the individual are critical (Training for organizations, O'Connor B, 2002)

The main problem that emerge in contact center industry, especially in Infomedia, the problems as follows:

- High turnover rate in contact center industry

- Time to supply the talent is long and difficult to supply the talent at the contact center with standard criteria

There is high turnover in every contact center service which Infomedia served, that is the basic cause why Infomedia has initiative to create school or academy. Furthermore, in Contact Center industry, turnover rate is high, based on the data from Infomedia, in 2009, turnover rate at 10%, while in 2010 increase by 19%, and in 2011 the turnover rate at 18%. This condition is effected the performance of services and Infomedia based on the agreement will be penalized from customer.

Along with this condition, Infomedia as one of the Contact Center Industry in Indonesia initiate to create school or academy to train the people to be ready for contact center in every industry such as Telecommunication, Banking, Consumer Goods, Travel, Transportation, Leisure and Healthcare. The idea of contact center academy is not only to solve the problem of turnover and time to supply, but this solution is to expand Infomedia business, the other purpose of contact center academy as follows:

- Contact center academy as a new business opportunity to expand the business and increase revenue at Infomedia
- Reduce unemployment in term of to help Indonesian Government with unemployment problem

B. Contact Center Training in Infomedia

Training is designed to improve performance by developing the appropriate skill and knowledge. Basically in Infomedia contact center, the training only consists of product knowledge, hard skill (how to use the contact center tools) and soft skill. Even though the training has been conducted for the agent, in the daily services, the agent cannot serve the customer in appropriate manner.

The problem come from the basic principles and processes of training, and the evaluation of training is not adequate. The training itself, created just for train the agent to do their work, not to improve their skill for the services.

Many call centers struggle against high agent turnover, a problem that strains recruiters and threatens customer relationships, this problem happened when the agent did not have passion to serve the customers and the training is not sufficient to build agent awareness and empathy.

Ideally, training must encompasses all aspect of the agent needs and the services, including social, psychological, and knowledge. Training that already conducted by Infomedia only cover how to use the tools and how to serve the customer in basic way, the agent can serve the customer based on a contact center procedure, but not understand the customer problem.

C. Benchmark to Scicom Academy

Scicom Academy is the training arm for the Scicom Group and provides a broad spectrum of training, organizational development and human performance consulting services for customer contact management centers. It also provides Support Center Practices (SCP) certification services for contact centers around the region. SCP is the leading global benchmarking standard for contact centers.

The educational services offered through Scicom Academy is affiliated with a professional body in the UK, offering internationally recognized British Technical Educational Council ("BTEC") certificates and diplomas for both entry and management level personnel in the BPO & Services industry. This is a global first for the industry and in line with Scicom strategy to move up the value chain in terms of providing a world class service offering and offering greater geographical spread.

Scicom Academy provides internationally accredited certifications and diplomas in customer contact and services management, in line with global best practices and benchmarks. Scicom Academy understands the value of personnel training in the contact center management arena and has grown to encompass a wide range of training programs that have helped enhance service and management standards in many Malaysian and Asian multinational companies. It prides itself on being a provider, not just of best-practice contact center training and consultancy services, but also of management, leadership and professional development courses. All training programs are customized to fit a company's specific needs.

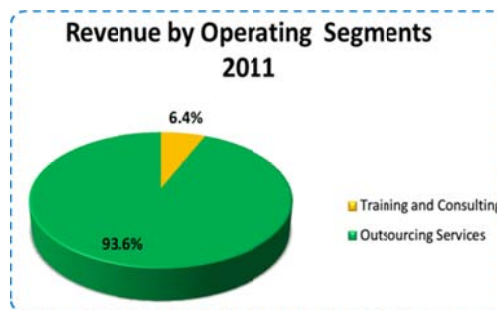


Figure 1. Scicom Revenue by Operating Segments in 2011

D. Research Question

The main problem faced on contact center is turnover, time to supply of the talent, and lack of customer service skill. To know the detail about the problem, below is the figure of the problem:

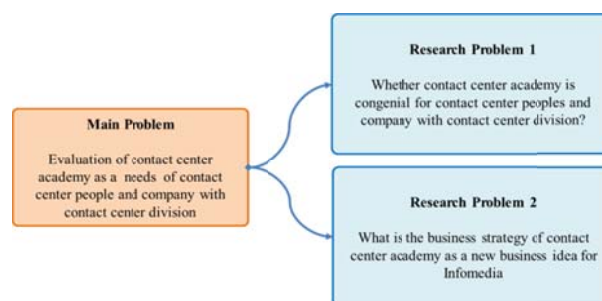


Figure 2. Research Question

The objective of this final project is to find the new business opportunity based on the needs and problem that emerge in contact center services that can maximize Infomedia value and to be the one of new Revenue Generator in Infomedia.

III. BUSINESS SOLUTION

Contact center training is changing. It's becoming more sophisticated as better tools come into the environment. It's also become more long-term, stretching out beyond the initial hire into the realms of coaching, refresher courses, mentoring, spot e-learning and other innovations.

Based on ICMI article, there are two constant themes behind all these changes. One is that training consumes an enormous proportion of a call center's resources. And the second, a direct follow-on from the first, is that centers need to account for those resources by proving that training leads to better performance.

For training to be effective, in ICMI article said that learning objectives must be derived from the business objectives. Then, when agents achieve mastery, you know the business objectives will be met. Too often training groups establish the

learning objectives without focusing sufficiently on business outcomes. The result is a training organization that claims that training has been delivered, but a call center that is operating at less than optimum efficiency.

Call center training is crucial for business. Refer to Business article in business.com, your employees talk to your customers and make sales for you or drive your customers to your competitors. Training them correctly the first time is vital to your business and keeping up with their ongoing education will put your business in the black.

New employees need to train but it does not end there. Offer ongoing refresher courses on a regular basis to keep them sharp and on point. Provide special training when you introduce a new product. Pick the employees and train them to delve deeper with customers to get ever-higher sales and satisfy the customer needs and problem. Consider the following about call center education and training basics:

1. Provide employees with a contact center training program that prepares them well.
2. Announce continuing contact center training for all employees on a regular basis.

In this final project, it is necessary to conduct both qualitative and quantitative approaches. The quantitative approach is used to sum up and interpret the cumulative tally result of the respondents' answer to the close ended multiple choice questions in the questionnaires. While the qualitative using predominantly secondary data, which is covered by published articles through internet, company annual reports, books, and other party reports. The primary data taken from the survey in contact center services employee such as agent, supervisor, and coordinator and company who using contact center as their customer service. Questionnaire question is on appendix.

This final project is inspired by actual problem in contact center services and the author wants to contribute to PT Infomedia Nusantara through comprehensive analysis to provide the solutions.

The research design of this study was started from collecting and reviewing related theories and models involved with contact center services employee such as agent, supervisor, and coordinator and company who using contact center as their customer service. Based on the problem, the author then designed the research question, and chooses the most appropriate research

methodology to get the most accurate responds from representative pool of respondents. The data from the questionnaires then collected, assessed and analyzed. The survey results of the questionnaires were then visualized into pie charts, and this result will be as the answer of the problem and as opportunity for business purpose.

Based on this analysis of the research findings, the researcher then wrote down the conclusions of the study to answer the research questions raised in the early stage of the study, and made recommendations.

There are 138 respondents who had successfully author surveyed from contact center services, and 60 respondents from employee in company who used contact center as their customer services.

A. Survey Result

The author conduct survey directly to contact center employee, such as KFC, Telkom, Bumiputera, Pelni, Telkomsel, and Garuda. For the first questions, the topic is focus on career improvement, surprisingly the results shown the employee is happy work in contact center and wants to improve their career in this industry, but not only as the agent, but improve their career to team leader, supervisor, coordinator and managerial position.

In KFC, about 48% respondents agree that they want to improve their career in contact center, in Telkom about 53%, Pelni and Bumiputera have same score, about 42%, and the highest is come from Garuda and Telkomsel, the percentage is 60% respectively, the total sample is 138 respondents from six contact center services.

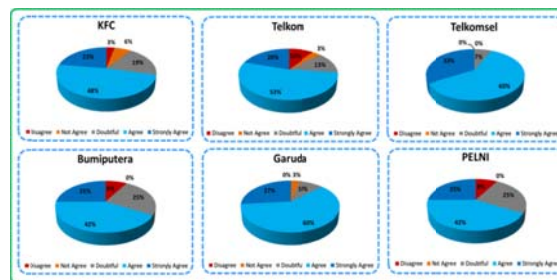


Figure 3. Improve Career in Contact Center Industry

The author conduct the survey to the company with contact center division, and as about the impact of contact center to their revenue, this is the vital and important question. Surprisingly, from the four companies, they answer that contact center is effected to their revenue. To be detailed in and

explain why contact center is effect to their revenue, Telkom, Mandiri, Bumiputera, and Garuda are the company who serve the end customer (Business to Customer), if their company not serve their customer properly, this will causing customer dissatisfaction, and will effect to company image with the other customer or non-customer. From the questionnaires, the results showed; they are strongly agreed that contact center is having effect in revenue.

For the strongly agree, in the first place is Telkom with 48%, Mandiri is in the second place with 47% said that contact center effected for their revenue, in the third place is Bumiputera in 33%, and the last is Garuda in 17%.

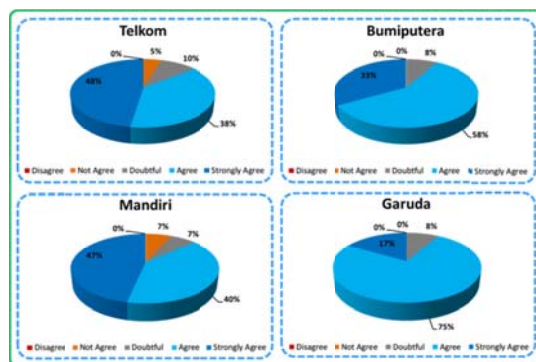


Figure 4. Contact Center as Revenue Generator

From the questionnaire, the result is employee wants to improve their career and to enhance their skills to serve the customer and hospitality, not only follow the procedure but satisfy the customer needs and solve customer problem.

Many companies believe that contact center is cost center for their company, in the fact; contact center is the bridge from company to serve and satisfy their customer. When the contact center is operating with a good operational team and the talent is well trained, company will get the intangible benefit, like word of mouth from customer contain their satisfaction of company services.

Contact center is the key to get customer loyalty and trust, and from the questionnaire, respondent said that contact center is one of their revenue generators when operated in good way. The key point to operate the success contact center is on the people who serve customers, once the contact center employee did not trained in good way, then the impact is customer will dissatisfy and effected on company revenue, because there is will be customer churn and negative opinion that will be effect on customer trust.

Infomedia as a market leader in contact center industry in Indonesia, faced high turnover and time to supply best agent on contact center, from the data, the turnover rate is 18% in 2011, and 19% in 2010, this is show, the contact center services experience lack of agent supply, and the impact is service level agreement not meet the cooperation agreement between company and Infomedia. Based on the problem that appears in contact center industry, the author initiate to create the solution for answer the problem, not only solve the problem, but the solution will be as a new business for Infomedia and become a new revenue generator.

Talk about contact center, it means talk about outsourcing, which is, in Indonesia many companies cut their permanent employees to increase their cash flow, companies rely on outsourcing to increase their cash flow and hedge their responsibility. Even though the companies wants to increase their revenue from using outsourcing workers, but they still wants to deliver best quality and services from outsourcing workers.

To get in contact center academy business as the training institution to increase contact center employee skill and to enhance their career, below is the business strategy analysis.

B. Business Strategy

Donald Hambrick and James Fredrickson created the Strategy Diamond as a way to show what the actual bits and pieces of a strategy are and how they fit together. Strategy is about making important choices, and the real power of a Strategy Diamond is that it integrates important choices into a bigger picture, instead of as a piecemeal approach. (sourceofinsight, 2010).

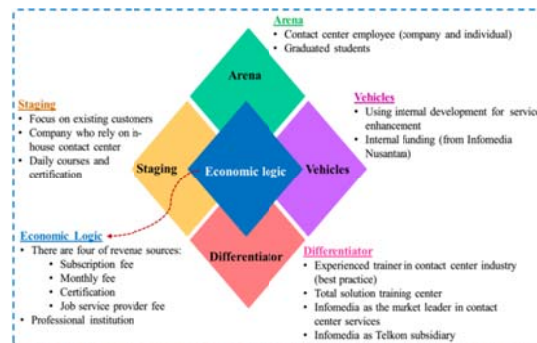


Figure 5. Elements of Infomedia Contact Center Strategy

C. Business Model

From the analysis above, to simplify the understanding of business model, the author draws

the business model canvas for Infomedia Nusantara, which shows customer segments, customer relationship, channel, value proposition, key activities, key resources, key partner, revenue stream, and cost structure. Look from the Infomedia business, one of Infomedia business is contact center services, and the activities are supply the technology, operational for contact center, telecommunication network, access numbers, and sites. The important activities are supply the human resources, which this activity is become the problem, such as supply the good quality of talent, and high turnover. The business model of Infomedia is draw below.



Figure 6. Business Model of Infomedia

D. Revenue Projection

Focused on the business opportunity, contact center academy, the author creates the projection of the contact center academy revenue. The sources of revenue consist of four major component, such as:

- Subscription Fee
- Tuition Fee
- Certification Fee
- Job Service Provider Fee

From the sources of revenue above, tuition fee and certification fee have four type of fee, for tuition fee, such as, tuition fee of agents, tuition fee of team leader, tuition fee of coordinator, tuition fee of manager, for certification fee, such as, certification fee of agents, certification fee of team leader, certification fee of coordinator, and certification fee of manager. The percentage of each sources of the revenue is subscription fee in the first year will be 0.2% from the total of the revenue, tuition fee of agents, team leader, coordinator, and manager is about 10.8%, 14.3%, 17.9%, and 26.9% respectively of the total revenue, while certification fee of agents, team leader, coordinator, and manager will be 3.6%, 7.2%, 8.1%, and 10.8% from the total of revenue, the last percentage of revenue is working service provider fee, contribute only 0.4% from the total revenue. From the revenue projection calculation

(shown on annex), in the first year, Infomedia contact center academy will obtain 7.1 billion rupiahs. The projection of revenue for the second year is slightly increases to 8.5 billion rupiahs.

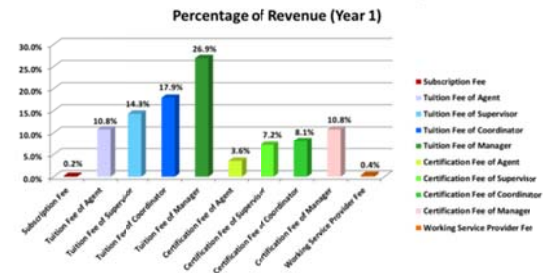


Figure 7. Percentage of Revenue (Year 1)

PL	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenue		7,114,883,333	8,537,800,000	11,269,800,000	13,523,700,000	17,851,188,000
Total Operation Expenses		3,094,708,333	3,821,355,000	4,341,877,575	4,943,981,452	5,776,486,185
EBIT		4,020,175,000	4,716,445,000	7,027,922,425	8,579,718,548	12,074,701,815
Tax (25%)		1,005,043,750	1,229,111,250	1,756,980,609	2,144,929,637	3,018,675,459
Net Income (After Tax/Net Cash In)		3,015,131,250	3,487,333,750	5,270,941,816	6,434,788,911	9,056,026,357
Discounted Cashflow		7,621,951,041	5,286,577,174	4,581,441,101	5,196,048,051	7,874,885,545
Total Investment (Cashout)		(1,500,000,000)				
Payback Period		1 years				

Figure 8. Revenue Projection

IV. CONCLUSION AND IMPLEMENTATION PLAN

Conclusion

From the problem analysis and questionnaire result, the conclusion of the research is mentioned below.

1. Infomedia has a issues in its contact center performance:
 - a. High turnover rates in contact center services that Infomedia serves.
 - b. Time to supply the people in contact center its takes too long, and affected on the daily operational of contact center.
2. Based on the research question in chapter two, below is the answer of the problem:
 - a. Research Problem 1, stated that "what are the current needs of contact center agent and the company that use contact center as their customer service?"
 - › The current needs of contact center agents, based on the questionnaire and open opinion from the questionnaire, they wants to improve their career in their contact center services where they worked, improve their social economy life, and needs training to improve their skills in term of enhance their career.
 - › The current needs of company that used contact center as their customer service, based on the questionnaire and open opinion from the questionnaire, mostly of the respondents opine, their customer

service representative needs to enhance and develop the skills and ability to cope with their customer problem and satisfy their customer.

- b. Research Problem 2, stated that “What is the business solution based on the needs and problem faced on the contact center”

- › The business solution, based on the needs and problem faced on the contact center is to create the institution as the place to develop contact center workers skills and ability, reduce turnover rates, accelerate time to supply the talents, and as a new business opportunity to enhance business portfolios in Infomedia Nusantara.

Recommendation

Hereby the researcher would like to make some recommendations for the improvement when established contact center academy.

1. Since the problem of turnover and time to supply is affected on the quality of contact center services, and in the business model, contact center academy is one of the revenue streams, and then contact center academy should be starting immediately in the near future.
2. To execute the implementation of contact center academy by Infomedia, benchmarking the best practice of establishing the academy is a good way to minimize the risk of failure.
3. Market education, considering contact center academy is the new business in Indonesia, to introduce to the market, Infomedia must do some education like seminar and direct presentation from the sales team, the education purpose is to get high awareness from people who works in contact center and company who used contact center services.
4. Market expansion, the research that has been conducted by the author is only on the Jakarta Area, it is necessary to conduct the next research in other big cities such as Surabaya, Bandung, Makassar, and Medan. The research will collect the data from the agents and the company who used contact center to know their needs as the data to expand the market in other big cities.

Implementation Plan

The preparation and implementation of the Contact Center Academy schedule as follows.

Table 1. Implementation Plan

No	Activities	Time											
		M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
1	Contact Center Academy Feasibility Study												
2	Internal Capability Proposal												
3	Internal Capability Assessment												
4	Board of Director Approval												
5	Site Feasibility Study & Selection												
6	Site Acquisition												
7	Building Construction/Restoration												
8	Build Facilities and Infrastructure												
9	Employee Selection, such as:												
	Division Heads												
	Trainer												
	Administrative Staff												
	Others												
10	Curriculum Preparation												
11	Class Schedule Preparation												
12	Contact Center Academy Launching												
13	Evaluation and Monitoring												

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